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Letter dated 7 February 2003 from the Permanent Representative of Austria to the United Nations addressed to the Secretary-General

I wish to inform you about the third meeting of the Global Forum on Sustainable Energy, held in Austria from 27 to 29 November 2002. The Forum is a platform for multi-stakeholder dialogue on all issues pertinent to energy for sustainable development. Its third meeting was planned with a view to building on the outcomes of the World Summit on Sustainable Development in the areas related to energy, especially the many type two initiatives announced at Johannesburg. Please find enclosed the executive summary and some salient points of the meeting (see annex). I should be grateful if the present letter and its annex could be circulated as a document of the Commission on Sustainable Development at its eleventh session.

(*Signed*) Gerhard **Pfanzelter**
Ambassador

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GLOBAL FORUM ON SUSTAINABLE ENERGY

THIRD MEETING GRAZ, 27–29 NOVEMBER 2002

Executive Summary of the Third Meeting of the Global Forum on Sustainable Energy (GFSE-3)

27-29 November 2002, Graz, Austria

"Public-Private Partnerships for Rural Energy Development"

Decision makers from all corners of the earth met from 27 through 29 November 2002 in Graz, Austria, for the Third Meeting of the Global Forum on Sustainable Energy in order to promote movement toward a better energy future for all.

The overall theme of the Meeting was "Public-Private Partnerships for Rural Energy Development." Some 180 experts participated.

In developing countries, some 2 billion people still have to make do without access to modern energy services, in particular electricity. This energy poverty drastically reduces their development possibilities. At the same time there is a general expectation that demand for energy will grow significantly during the next decades in the developing countries. The international community has the opportunity to respond to this increasing demand with more sustainable energy services and to reap benefits for development and for the responsible management of the environment.

The Global Forum on Sustainable Energy was launched in 1999 by the Austrian Minister for Foreign Affairs B. Ferrero-Waldner as a neutral platform for dialogue on all issues related to energy for sustainable development. It brings together all relevant stake-holders – governments, private sector, NGOs, academia, media . Its first two meetings in 2000 and 2001 have made a concrete contribution to the first global UN energy negotiations (Commission on Sustainable Development, 2001) and the World Summit on Sustainable Development in Johannesburg. Irene Freudenschuss-Reichl (Austria) acted as convenor for GFSE-1 through GFSE-3.

The Third Meeting of the GFSE had been planned with a view to building on the WSSD outcomes in the energy areas, especially the many type-II initiatives announced at Johannesburg.

The Conference was inaugurated by the Secretary General of the Austrian Ministry for Foreign Affairs, Johannes Kyrle, the Minister for Energy of Ethiopia, Haile Assegide, and the Secretary-General of the Ministry for Agriculture, Forestry, Environment and Water Management of Austria, Werner Wutscher.

Among the most eminent conference speakers were Prof. Jose Goldemberg, Minister in Brazil in several governments and Chairman of the Editorial Board of the World Energy Assessment; the Chairman of the Intergovernmental Panel for Climate Change and Director of TERI, Rajendra K. Pachauri; Prof. Thomas B. Johansson of Lund University (formerly the long-time director of UNDP's energy program), representatives of major oil and electricity companies, such as BP, Shell and Electricity de France as well as the Deputy-Secretary General of the World Energy Council (WEC), Jan Murray.

A special break-out session on issues related to Africa was moderated by Ms. Yvette Stevens, UN Special Coordinator for Africa.

Sponsorship for the Third Meeting of GFSE is gratefully acknowledged from the City of Graz, the Austrian Federal Government, UNDP, UNEP, UNIDO and the Swedish Development Agency SIDA. More Information about GFSE is available at www.gfse.at. A report on the Third Meeting of the GFSE has been commissioned from the team of the Earth Negotiation Bulletin and is available at www.iisd.ca/linkages/sd/gfse3/.

The detailed program of the GFSE-3 is enclosed.

Below are the most salient points of the discussion:

Third Meeting of the GFSE: Some Salient Points

A. There seems to be a need to build a new consensus around the issue of the **role of the public sector** in energy for sustainable development (e.g. fixing public policy objectives, setting priorities, orienting the market actors) together with the realization that the market forces alone will not overcome the energy poverty in developing countries, especially in rural areas. The crucial role of the **private sector** was generally acknowledged (raising the significant investments needed; creating sustainability for rural energy projects including through income-generation by local SMEs).

B. There is a growing awareness that development in general, and even to a greater extent approaches to promote energy for sustainable development, needs to be pursued also in the context of concerns for **climate change mitigation.**

C. The issue of **targets for renewables** should be re-examined; it seems more promising to build momentum for individually defined national, sub-regional or regional targets than global targets.

D. Work on energy for sustainable development in general at the end of the day happens at the national level; therefore energy considerations should be incorporated into Poverty Reduction Strategy Papers (PRSPs) and other **country level cooperation frameworks**.

E. The **dialogue between** the environment and the social and economic **constituencies** need to be intensified on energy for sustainable development; their different approaches become evident i.a. in the way "renewable energy" is promoted. Financing for the respective agendas comes from different sources of funding and requires different kinds of responses from developing country recipients. If managed well, the different agendas could reinforce each other.

F. The **energy community per se** is not sufficiently involved in the debate on energy for sustainable development; the entry point for the energy community could be the issue of political stability, the stability of energy markets, the geopolitical importance of energy and the role of energy for poverty eradication.

G. The importance **of reliable data on rural communities** in developing countries, including data on their energy situation and needs was emphasized.

H. **Project sustainability** was seen to depend mainly on local ownership and the existence of a commercial infrastructure. More attention should be paid to promoting and supporting the relationship between the investor and the local entrepreneurs. Capacity building is of the essence.

I. It would seem important that the **CSD** find ways and means to promote work at the **sub-regional or regional levels** and promote successful implementation endeavors at the national level.

J. The presentation and discussion of the various **type-II-partnerships** which were launched in Johannesburg in the field of energy points to a need for a neutral analysis and consultation on possible streamlining and harmonization.

K. The GFSE could play a role in this **analysis** and consultation. A meeting of the GFSE to report back to stake-holders in spring 2003 could be organized around CSD or another major energy-related meeting.

L. The need to emphasize **cross-sectoral development linkages** of energy was underlined. Therefore it would be important to include non-energy development professionals in GFSE.

M. The GFSE itself could choose to **alternate** in the future between meetings that would be devoted to a **particular region or sub-region and global meetings**. A regional preparatory meeting could allow stake-holders to present a consistent

case to a global meeting of GFSE. The usefulness of the GFSE as a place for conceptual clarification and a bridge between the negotiators and the project experts has been highlighted.

N. **Future global meetings of GFSE** could focus

a) on the kind of subsidies that are perceived to be useful and necessary;

b) on the issue of "re-regulation" of energy markets;

c) on exchanges of information on progress in implementing the various partnerships;

d) on SMEs and micro-finance;

e) on urban energy use (city planning, transport, building).